

Madison County / AFSCME 3675-5
(Roads) (Courthouse)

2002-2003
CEOs 392 & 1017
Section 1

BEFORE
JAMES R. COX
INTEREST ARBITRATOR

2003 NOV -7 AM 11:35
JAMES R. COX
INTEREST ARBITRATOR

MADISON COUNTY, IOWA

ROAD AND COURTHOUSE UNITS
INTEREST ARBITRATIONS

and

CEO #392 & CEO #1017

2003-2004 LABOR AGREEMENTS

AFSCME
LOCAL 3673-5

DECISION AND AWARDS

Interest Arbitrations involving separate Madison County/AFSCME Courthouse and Road Units were conducted by the Arbitrator October 22, 2003 in Madison County, Iowa. Jerry Thompson represented the County while the Union cases were presented by AFSCME Business Representative Dan Holman. At the conclusion of the Hearings, each Representative made a persuasive closing statement.

There are no questions of Arbitrability and the matters have been placed before me for final and binding determination. In reaching my decision, I have reviewed and applied factors set forth in Section 20.22(9) and applicable provisions of the Iowa Code. Agreements have been reached on a number of issues and will be incorporated into the Labor Agreement. Remaining issues were presented to the Arbitrator.

THE ISSUES

The Parties have agreed that, in each Unit, there shall be a one-year Contract term effective July 1, 2003 with retroactivity on wages. With respect to each Unit, there were three unresolved issues presented to the Arbitrator.

WAGES

General wage increases.

In each of the two Bargaining Units – Courthouse and Roads - the Union seeks 3.5% across the board increases while Madison County proposes a "flat 3% increase for each pay step in the pay plan."

Courthouse Unit Upgrades

In addition to their general across the board increase demand, in the Courthouse Unit the Union seeks wage rate raises in two classifications. Two of the twelve employees in this Unit would be affected by such adjustments. The parties have agreed that these sought adjustments are part of the wage issue in that Unit and the Arbitrator is required to treat all aspects of that proposal as a single issue.

The Contract rate in the Engineering Field Assistant classification is presently \$17.50. The Union proposes that the Engineering Associate classification, currently paying \$16.05, be raised to \$17.00 and that the Engineering Technician classification, with a 2002 Contract rate of \$14.25, be increased to \$16.60.

The County responds that such an adjustment for the Technician classification "would result in a 16.6% increase plus 3.5% general adjustment proposed by the Union for a total of 20%. The sought rate raise in the Associate classification would mean a 5.9% increase which, when added to a 3.5% general increase, would constitute a total 9.4% raise.

The thrust of the Union argument is based upon what they see as an inequitable rate relationship between the three engineering classifications. They propose narrowing the rate differentials by increasing the rates of the lower paying classifications. However, it would appear from the comparables that the Engineering Field Assistant is being paid substantially above his peers in comparable counties. According to a Union Exhibit, the average rate for this work within the five counties that reported having an Engineering Field Assistant was \$14.56 – almost three dollars less than the rate Madison County is paying before any 2003 increase.

The Union provides rates in seven comparable counties for three of the Classifications in the Courthouse Unit - Engineering Field Assistant, Engineering Associate, and Engineering Technician. No comparables are provided for other Classifications except for the County's reference to Custodians. The Union comparables for the Courthouse Unit include two contiguous counties - Union and Dallas - both of which are also County comparables - as well as Keokuk, Shelby, Appanoose, Iowa, and Crawford. Of this group all have reasonably close population numbers to Madison county's 14,449 except for Dallas County which has 44,222 inhabitants.

The Union asserts that the Engineering Associate and the Engineering Technician are underpaid both in their relationship to similar classifications in the other comparable Counties and with relation to the Engineering Field Assistant. The Union demand for substantial increases in the Engineering Associate and Engineering Technician is partially based upon that benchmark job. The thrust of the Union argument is one of internal inequity. The classification rate increases they seek before the general increase is applied are substantial. There was no indication of how long this argued disparity has existed.

As indicated, the Madison County \$17.50 Engineering Field Assistant rate is substantially higher than the \$14.56 average shown among Counties in the Union's comparable group for that work. No explanation for such a differential were shown. If the Assistant job were overpaid or red circled, there would be no compelling reason to make adjustments in the other two engineering classifications based on their work relationships to that position in Madison County. No bargaining history on this point was introduced.

The Union proposes that the Engineering Associate rate be increased \$.95 cents to \$17.00 and that there be a \$2.35 upward adjustment in the Technician rate to \$16.60. However, using the Union figures, such increases would put the Madison County Technician rate \$2.04 above the current average of Technicians in the Union comparables and the Associate rate \$.40 above the average pay for that classification among Comparables – before the 2003 across the board increase.

On the basis of the evidence provided, I cannot determine (1) what justification, if any, there may be for the \$2.94 differential currently paid an Engineering Field Assistant in Madison County as opposed to average rates for such a classification in other Counties – whether there are different responsibilities in Madison County than Assistants have in other Counties or (2) why the average hourly rate for Madison County Engineering Associates is \$2.04 higher than the average rate for both the Engineering Field Assistant and Engineering Technician in other Union comparables. These rate questions suggest that there may be a need for a job analysis.

In order to make any meaningful determination that there is either an internal or external disparity in rates which would justify the sought inequity increases, it would be necessary, at a minimum, to look at job descriptions or receive testimony to find out what the responsibilities are in each of the three engineering office classifications and what the general job responsibilities for those classifications may be in comparable counties. Unlike a classification like Heavy Equipment Operator, the title of the classification does not convey the type and variety of work performed. There is no way that I could determine what the rates of these classifications should be based on the evidence.

There is insufficient evidence to establish an inequity which would justify the significant increases sought in Associate and/or Technician classification rates. Unfortunately, one consequence of the denial of the increases for these two classifications is that such requested increases are a part of the overall wage issue and must be so considered in my determination of which of the two general wage proposals is most reasonable.

As shown below, while I find that a 3.5% increase is the most reasonable last offer in the Road Unit, comparing the two final wage offers in this Unit and because of a lack of evidence to support the two classification rate adjustments which are part of the Union offer, I find that Madison County 3% final position on wages in this Unit is the most reasonable. Rates in the Courthouse Unit shall be increased as proposed by Madison County.

The Road Unit.

The Union 3.5% final offer on wages for the Road Unit is unencumbered by any related provision.

The comparables relied upon by the parties to support their general wage raise proposals substantially differ. The Union relates their offer to wages rates in a group of 12 comparables. Six of the seven comparables used for the Courthouse Unit wage issue are among their group of twelve Road Unit comparables.

Madison County uses six of seven contiguous Counties for their comparatives in this Unit. They properly exclude the more urban and much larger Polk County which with which they share a short common border. Their focus is on three classifications in the Road Unit.

Comparing Madison County wages in the Road Unit with averages among their comparables, Madison County shows rates lower than average in the Motor Grader Operator (-\$.03) and Mechanic classifications (-\$.17) and higher for Truck Driver (+\$.41).

Both Union and County use the same wage rates for the Motor Grader- \$13.69 – but differ on the rate for the Mechanic which the County shows as \$14.40 and the Union lists as \$13.69. The Madison County Contract rate for Mechanic I is \$13.69 with the Mechanic II rate at \$14.24. I understand that in this case and others identified below there may be overrate situations where employees are paid more than the Contract rate.

It appears that the Mechanic classification referred to throughout the County listing of comparables is the more experienced, higher paid Mechanic in instances where two Mechanic classifications are in a Unit. On the other hand, the Union used the lower paid Mechanic classification in Madison with the 2002 rate but choose the higher Mechanic rate in their comparables. They used the more recent 2003 increases for their comparables and, in one case, cited a 2004 rate.

The Union shows 2003 Patrol Operator (Motor Grader Operator) and Mechanics rates of 12.74 and \$13.22 in Guthrie County while Madison County uses the 2002 Contract rates of \$12.34 and \$12.82 respectively. That Contract also lists the 2002 Truck Driver rate at \$12.00 (and the 2003 rate at \$12.40) but the County Exhibit puts the 2002 wage at \$12.18.

For the Motor Grader Operator classification in Dallas County, the County states that the Rate is \$15.58 – the Operator II 2002 rate set forth in the Contract – while the Union lists the wage at \$14.37, a rate I do not find in the Contract. The 2002 rate for Operator I (Truck Driver) was \$15.34 and the Mechanic Rate was \$16.16 in 2002 and \$16.73 in 2003. The Union uses \$14.69 for the Mechanic Rate in this County. However, I do not find that rate in the Contract for either year. The 2003 contract rate for Dallas County Mechanics is \$16.16.

Looking at Union County and 2002 rates, we find AFSCME listing the Patrol Operator rate at \$12.47 and the Mechanic at \$12.70. The County correctly lists the Patrol Operator rate at \$12.49 as the Contract reads and the Mechanic top rate at \$12.90. There is no \$12.70 rate in that Contract for any level of Mechanics. In Appanoose, the Union lists \$14.38 as the rate for Heavy Equipment Operator and \$14.53 for the Mechanic Classification. Those rates, however, do not become effective until July 1, 2004.

In Cass County, Heavy Equipment Operator is shown in the Union Exhibit as at \$16.58. There is no such rate in that Contract. Road Equipment Operator rates are shown to be much lower at \$13.66 and \$13.95. The Cass County Mechanic rate effective July 1, 2003 in the Contract is 15.12 as opposed to the Union's listing of that wage at \$16.53.

Contract rates for Mechanics in Crawford County are \$15.87 and \$14.69 effective July 1, 2003. They are listed in the Union Exhibit as \$16.73¹.

¹ In July 2002 those rates were \$14.11 and \$15.29.

Mechanics

When Union comparables are adjusted to reflect the rates set forth in the Contracts for the Mechanics effective 2003, I find the following: Guthrie \$13.22, Keokuk \$14.70, Shelby \$16.58, Cass \$15.12, Allamakee \$15.15, Mills \$15.70, Harrison \$15.71, Page \$14.70, Crawford \$15.87 and Dallas \$16.73. An average of these rates shows top rates effective in 2003 of \$15.45. If the Madison 2002 top rate of \$14.24 were increased by 3%, that classification rate would be \$14.66 in 2003, still well below the average as adjusted. With a 3.5% raise, the rate would become \$14.74.

County comparables also show Mechanics are not as well paid as their comparables. 2002 rates in Warren, Clarke, Union, Adair, Dallas and Guthrie averaged \$14.41, 17 cents higher than the 2002 Mechanic rate in Madison. We do not know what increases were made in those Units for 2003.

Motor Grader Operator

For the Motor Grader Operator, we find the following 2003 Union Comparatives. Guthrie \$12.74, Keokuk \$14.60, Shelby \$15.38, Cass \$13.95, Mills \$15.42, Harrison \$15.22, Page \$14.70, Crawford \$15.89 and Dallas \$16.13. As of 2003, the average Grader Operator rate in these Road Units was being paid \$14.89. If the Madison 2002 rate of \$13.69 is increased 3%, that rate becomes \$14.10 and, with a 3.5% increase, would be \$14.17.

According to a chart of County comparatives, the average rate for this classification was \$13.72 in 2002 – the Madison rate was three cents less than the average in that Group. We do not know what increases were provided within that comparative group for the 2003 Agreement except that the Guthrie rate rose to \$12.74 from \$12.34 and the Dallas rate went up 3.5% from \$15.58 to \$16.13.

Truck Driver and Heavy Equipment Operator classifications.

Madison provided comparatives for the Truck Driver which show that drivers in Clarke, Union, Adair, Dallas and Guthrie averaged \$13.28 in 2002. The Contract states that the Truck Driver rate for 2002 was 12.00 in Guthrie and increased to 12.40 in 2003. The Dallas rate increased from 15.35 to 15.89 in 2003 – an increase of 3.5%. There have been 3.5% Factfinder wage increase recommendations in other road Units -Iowa and Johnson County - for 2003.

The Madison rate for Truck Driver work was \$13.69 – 41 cents more than the average among Madison comparatives. An examination of Contracts furnished by the Union did not clearly designate the Truck Driver classification in many cases. Where it was clearly shown, the 2002 range was from \$15.89 to \$12.00.

The County did not provide Heavy Equipment Operator rate information. Union comparables in this classification did show 2003 rates in that classification averaged \$14.46. The 2002 Madison County rate of \$13.69 would become \$4.10 if a 3% raise were granted and \$14.17 with a 3.5% increase..... still well under the Comparables.

I have given special consideration to the overall relative rate positions of Madison County Road classifications among the comparables, increases, to the extent shown, in Road Units elsewhere and the

increased insurance cost sharing. I find that the final position of the Union and their 3.5% proposal to be the most reasonable on this issue in this Unit.

LONGEVITY

The Courthouse Unit

The Courthouse Contract contains the following applicable longevity language.

"Three cents (\$.03) per hour will be granted for each year of service up to a maximum of 25 years of service. Engineering Technician McNamara will continue to receive four cents (\$.04) per hour for each year of service up to a maximum of 25 years of service."

Noting that there is a four cent increment for employees in the Road Unit, the Union seeks that longevity pay be increased to that rate for the Courthouse Unit and, in addition, that the 25 year cap on increased longevity pay be removed. There are two facets to the Union position on this issue and, as in the wage issue, the Arbitrator must make a determination on their proposal in its entirety.

Madison County proposes to maintain the status quo on this issue.

The evidence does not support the Union contention that the cap should be removed in both units and that there should be an increase to four cents in the Courthouse Unit.

The Cap

The following five counties have caps on longevity pay - Keokuk, Shelby, Mills, Harrison, Page. Three Counties do not have caps - Crawford, Dallas and Iowa -but they do have a longevity scale which is much more unfavorable for their employees than in Madison County. For example, while the cap in Crawford County does not take effect until the 30th year, the payment thereafter is only five cents per hour. Dallas County has a sixty cent maximum after 30 years of service and, between 36 and 40 years, longevity in Iowa County² is eighty cents per hour. Allamakee County does not provide any longevity benefit. In Guthrie County the scale is four cents for each three years of employment, in Union County five cents per hour for each five years of service with a twenty five cent maximum per hour and Appanoose provides five cents per hour but only for each five years of service.

Among the six Madison County comparables, three counties have capped the amount which can be paid. Under the most liberal plan, in Warren County an employee would have to work 50 years to equal the amount of longevity pay earned by Madison county employees in 25 years. In Clarke County it would take 95 years of employment to equal the pay level a Madison county employee reaches in 25 years.

In 25 years, at the three cents an hour rate, longevity pay in Madison county for those in this Unit will reach seventy five cents an hour. No other Comparable has such a generous benefit

² Iowa County appears to have been included among comparatives only for this comparison. No special relationship to Madison County was shown.

over the term of an employees work. There is no other comparable county that provides longevity in such an accelerated manner.

The increase from three to four cents

There was no evidence showing why employees in this Unit had, with one exception, a longevity benefit one cent lower than those in the Road Unit. Such contract history would have been instructive.

While there is an inequity between the Road and Courthouse Units, there is no support from any of the external comparables for an increase to four cents. In any event, removing the cap would have the consequence of increasing the significant differential between what employees in this Unit receive in longevity pay compared to those in other Units. I find that the County final position on the longevity issue in the Courthouse Unit is the most reasonable.

The Road Unit

Contract language provides for a longevity payment of four cents per hour for every completed year of service up to twenty five years. Payment at this rate began effective July 1, 1998.

The Union proposes to remove the cap and the County's last position is to maintain the status quo.

Reasons for not removing the cap are especially persuasive for this Unit. As Madison County points out, at the 4 cent rate, at twenty five years year of completed service the longevity rate becomes \$1.00 an hour. If an employee works 2080 straight time hours the benefit would be worth a maximum of \$2080,00 annually. Not only does an employee in this Unit earn more dollars in longevity pay for year to year than any employee in any other comparable Unit but his maximum earnings exceed those of employees in any other Unit.

The final position of the County on the longevity issue for the Road Unit is clearly the most reasonable.

INSURANCE

The County makes no proposal to put premium payments on a contributory basis in these negotiations. In evaluating the comparative benefits described below, it is significant that employees in 11 comparable Units do make contributions toward family coverage. Such contributions are made in Dallas, Adair, Clark, Keokuk, Cass, Allamakee, Mills, Harrison and Page and, in one of the non unionized units in Union County and in Appanoose, employees contribute toward both single and family coverage. Since most of those under the Plan have elected family coverage, this non-contributory feature in Madison County is of special value to employees in the two Units subject of this proceeding.

In these negotiations Madison does seek to raise cost sharing provisions of their insurance plan by increasing both the deductible, the maximum out of pocket provisions and

broadening the co pay feature in the Drug Plan. Benefits have not been substantially reduced for several years.

While I am mindful of the changes the County has made to control costs during the past year, the parties recognize that insurance cost increases have rapidly accelerated during the past 10 years. Under the County proposal, employees fortunate not to incur significant medical costs will experience little impact from the proposed changes. Madison County premium costs for family coverage is \$1036.00 effective for the 2003 – 2004 fiscal year.

The County proposes to increase the deductible for single coverage from \$100 to \$200 and, for dependent coverage, from \$200 to \$400. Out of pocket maximums would be raised from \$500/\$600 to \$1000/\$1500. There would be changes in the co pay provisions of the Drug Program with a \$10.00 payment for generic, \$20.00 for preferred list (formulary) and \$30 for brand named drugs.

The Union strongly opposes any increases in employee cost sharing. They have successfully opposed making dependent coverage contributory. Employees pay a very small part of overall drug costs.

Deductibles and Out of Pocket Limits

The evidence demonstrates that employees in the following five Union comparables presently are covered by Plans with higher deductibles for both single and dependent coverage than Madison county employees would be even after the proposed increases to \$200/400. Of the 12 counties in the Union comparability group, Shelby(\$500/1500), Crawford (\$750/1500), Guthrie (\$250/500), Allamakee (\$500/\$1000), and Page (\$250/500) have higher deductibles. They would have the same deductible as Dallas(\$200/400).

Shelby (\$1000/6000), Allamakee(\$1000/2000) and Page(\$1000/2000) have both higher deductibles and higher out of pocket maximums. Of the remaining 6 comparables in the Union group, 3 would still have higher out of pocket maximums even if the sought increase is recognized: Guthrie (\$1000/2000), Cass (\$1500/3000) and Dallas (\$1500/3000). Keokuk presently has a higher out of pocket maximum (\$500/1000) than Madison as does Mills and Harrison (\$750/1500 in each case).

Among County comparables, Adair (\$750/1500), Clark \$250/750), Warren (\$750/1500) and some Units in Union County have deductibles higher than those in Madison. Five Counties in their grouping also have higher out of pocket maximums than proposed for these two Madison Units - \$1500/3000, \$1000/2000, \$1000/2000, \$2000/4000 and \$2000/4000 respectively. One of the Union County plans covers a non union group.

Only Union County with a \$100/200 deductible and \$400/400 out of pocket maximums in the Unionized plan and Appanoose with 100/200 deductibles and \$500/500 out of pocket limits have current shared costs lower than Madison.

Drug coverage.

The premium is fully paid by the County for both single and dependent drug coverage.

Madison proposes that co pay, presently \$5.00 for generics and \$10.00 for name brands, be increased to a \$10.00 co pay for generics, \$20.00 co-pay for formularies and \$30.00 co pay for Brand name drugs. Comparing other Counties, we find that Madison County employees are presently in a more favorable position than those in most of the comparables. For example, in Keokuk and Shelby counties no drug coverage at all is provided and there are only 3 counties in the 12 county Union Group - Mills, Harrison, and Page - which presently have co payments as limited as in Madison. In one of the Union county Units, prescriptions are fully paid. However, in Page, according to the evidence, there is no drug insurance coverage for dependents. As shown above, in that county, both the deductible and maximum out of pocket limits are higher than in Madison County.

There are counties that have co pays higher than the \$5.00/10.00/30.00 proposed Madison Plan - Cass (\$10.00 generic, \$20.00 name brand and \$45.00 for name brand non formulary with a deductible.) and Allamakee (\$10.00 generic, \$25.00 name brand and \$40.00 name brand non formulary). Crawford County has a slightly more favorable plan than proposed by Madison with \$5.00 generic, \$10.00 name brand and \$10.00 formulary. In Guthrie the drug card provides for a \$15.00 co pay or 25% whichever is higher to a \$100.00 max for any single prescription. Appanoose has a drug card for employees but no indication of the scope of coverage. While Madison County lists Dallas as having co payments of \$15.00/\$25.00/\$45.00 the Union asserts that for "*\$10.00 can get up to 90 day supply*". I do not have the provisions of that Plan to verify the respective assertions.

An examination of those more proximate counties which comprise Madison County comparables reveals that, in addition to Dallas, Adair (\$10/20/45) Guthrie (the greater of \$15.00 or 25%), and Warren ((\$10/20/35) have higher co pays than proposed here. The unionized group in Union County has co payments only of \$5.00 and \$15.00 although non union groups there pay more than Madison presently. Clarke county requires its employees to make co payments of only \$5.00 and \$15.00.

After having considered the cost sharing features of all these various County Insurance Plans - the deductibles, the out of pocket exposure, the co pay and, in 11 of the designated comparable units, the contributory features for dependent coverage - I conclude that the relatively small cost sharing increases proposed by Madison County are reasonable and justifiable considering the significant cost increases during the past few years, the trend toward even higher costs and the fact that few counties have as favorable an insurance package as Madison County. There is a demonstrated need for the cost sharing increases sought here. The final position of the County on insurance is most reasonable and is recognized for both Units.

AWARD

In the Courthouse Unit the final position of the County is adopted on all three issues.

In the Road Unit, the final position of the Union is the most reasonable on the wage issue. On the other two issues, longevity and insurance, the final position of Madison County is the most reasonable.

The Arbitrator has selected the most reasonable of the "*final offers*" submitted by the parties on each impasse item. These selections, along with other matters tentatively agreed upon

by Madison County and AFSCME shall be incorporated into their respective 2003-2004 Road and Courthouse Collective Bargaining Agreements.

James R. Cox
Arbitrator

Issued this 4th day of November 2003

CERTIFICATE OF SERVICE

I certify that on the 4th day of November 2003, I served the foregoing Award on each of the parties to this matter by mailing a copy to them at their respective addresses.

Jerry Thompson
2813 Virginia Place
Des Moines, Iowa 50321

Dan Holman
AFSCME Business Representative
Council 61
4320 N.W. 2nd Street
Des Moines, Iowa 50313

I further certify that on that same date, I served this Award for filing with the Iowa Public Employment Relations Board by mailing a copy to their offices at 514 East Locust, Suite 202 Des Moines, Iowa 50309-1912.

James R. Cox